

## Message Text

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PAGE 01 TEGUCI 01424 162050Z

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ACTION ARA-10

INFO OCT-01 ISO-00 AGR-05 L-03 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 PA-01 PRS-01 /088 W

----- 036699

R 162015Z MAY 76

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 2805

INFO AMEMBASSY BOGOTA

AMEMBASSY GUATEMALA

LIMITED OFFICIAL USE TEGUCIGALPA 1424

GUATEMALA PLEASE PASS AG ATT

E.O. 11652: N/A

TAGS: EAGR, ETRD, HO

SUBJECT: HONDURAN REACTIONS TO SUGAR GEPLACEA MEETING IN COLUMBIA

1. ECOM OFF DISCUSSED SUBJECT MEETING WITH HONDURAN PRIVATE SECTOR REPRESENTATIVE RENE CRUZ. HIS IMPRESSIONS ARE AS FOLLOWS:

2. THE MOST SIGNIFICANT DEVELOPMENT IN THE MEETING WAS THE SIGNING OF THE STATUTES. THIS MAKES PERMANENT THE GEPLACEA ORGANIZATION. THERE WERE CONSIDERABLE PROBLEMS IN PREPARING TRANSLATIONS OF THE STATUTES AND THIS WORK IS TO BE PURSUED IN MEXICO CITY BY THE SECRETARIAT. THE STATUTES WILL BECOME EFFECTIVE UPON APPROVAL OF TWO-THIRDS OF THE GOVERNMENTS REPRESENTED. SR. CRUZ BELIEVES THERE WILL BE NO PROBLEM IN OBTAINING THE APPROVAL OF THE GOH.

3. THERE WERE SOME EFFORTS AT THE MEETING TO ESTABLISH THE CARTEL ARRANGEMENT BUT THIS DID NOT PROSPER. ACCORDING TO SR. CRUZ THE PRIMARY EFFECT OF THE AGREEMENT IS TO PROVIDE LIMITED OFFICIAL USE

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PAGE 02 TEGUCI 01424 162050Z

COOPERATION AND CONSULTATION AMONG THE MEMBERS. FOR HONDURAS THE MOST IMPORTANT INTEREST IS COOPERATION AND CONSULTATION ON SUGAR TECHNOLOGY.

4. THE GROUP WILL PROBABLY MEET IN PANAMA IN JULY IN ORDER TO SET A COORDINATED POSITION TO BE TAKEN IN THE DRAFTING OF A NEW INTERNATIONAL SUGAR AGREEMENT SCHEDULED FOR SEPTEMBER IN LONDON.

5. SR. CRUZ INDICATED THAT THE CENTRAL AMERICAN CONTINGENT WAS CONCERNED WITH THREE BASIC PROBLEMS: INCREASING PRODUCTION, THE U.S. MARKET, AND CUBA IN RELATIONSHIP TO THE FIRST TWO ISSUES. SR. CRUZ BELIEVES THAT CENTRAL AMERICA WILL HAVE NEARLY ONE MILLION TONS SUGAR EXPORT CAPACITY IN 1977. HONDURAS COULD HAVE 100,000 TO 150,000 TONS IF PROBLEMS UNDER THE AGRARIAN REFORM LAW CAN BE RESOLVED. BOTH GUATEMALA AND NICARAGUA ARE SIGNIFICANTLY INCREASING PRODUCTION.

6. THE CENTRAL AMERICANS WILL LOOK TO THE U.S. FOR SPECIAL CONSIDERATION SHOULD THE U.S. REESTABLISH A QUOTA SYSTEM. SR. CRUZ CONSIDERS THIS WOULD BE A LOGICAL OUTGROWTH OF THE CLOSE TRADING RELATIONSHIPS BETWEEN THE AREA AND THE U.S. CONCERNING CUBA, THERE WAS PREOCCUPATION THAT CUBA WOULD NORMALIZE ITS SUGAR EXPORT POSITION INTO THE U.S. MARKET AND THAT CUBA WAS INCREASING ITS EXPORT CAPACITY.  
SOWASH

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 16 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**Executive Order:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 MAY 2004 by ifshinsr>; APPROVED <08 SEP 2004 by ElyME>  
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Margaret P. Grafeld  
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US Department of State  
EO Systematic Review  
04 MAY 2006

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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 970920  
**Subject:** HONDURAN REACTIONS TO SUGAR GEPLACEA MEETING IN COLUMBIA  
**TAGS:** EAGR, ETRD, HO  
**To:** STATE INFO BOGOTA  
GUATEMALA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006